

AN ACT

To repeal section 307.365, RSMo, and to enact in lieu thereof sixteen new sections relating to law enforcement retirement.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section A. Section 307.365, RSMo, is repealed and sixteen new sections enacted in lieu thereof, to be known as sections 86.949, 86.952, 86.955, 86.958, 86.961, 86.964, 86.967, 86.970, 86.973, 86.976, 86.980, 86.985, 86.988, 86.991, 86.994, and 307.365, to read as follows:

86.949. As used in sections 86.949 to 86.994, unless the context clearly indicates that a different meaning is intended, the following terms shall mean:

(1) "Annuity", annual payments made in equal monthly installments to a member from funds provided for, in, or authorized by sections 86.949 to 86.994;

(2) "Board of directors" or "board", the board of directors established in sections 86.949 to 86.994;

(3) "Creditable membership service", service as a police chief or a police officer of an eligible municipality after becoming a member that is creditable in determining the amount of the member's benefits under this system;

(4) "Effective date of the establishment of the system", the date the governor declares the system established pursuant to

section 86.958;

(5) "Employee", any full-time police chief or police officer of a municipal police department in this state, including the Kansas City police department, the St. Louis police department, and the St. Louis County police department;

(6) "Health care and annuity system" or "system", the police chief's and officer's healthcare and annuity system authorized by sections 86.949 to 86.994;

(7) "Member and eligible members", any active police chief or police officer of the system, any former police chief or police officer receiving retirement benefits from the system, any former police chief or police officer that is vested in the system but is not receiving benefits, any police chief or police officer on disability leave, and for the purposes of section 86.961, any police chief or police officer who is employed full time by an eligible municipality;

(8) "Municipality or eligible municipality", each municipal police department in this state, including the Kansas City police department, the St. Louis police department, and the St. Louis County police department;

(9) "Prior service", the total years of full-time licensed and commissioned law enforcement service.

86.952. There is hereby established a "Police Chiefs' and Officers' Fund Annuity and Healthcare Fund" which shall be under the management of a board of directors described in section

86.958. The board of directors shall be responsible for the administration and the investment of the funds of such retirement fund. Neither the general assembly nor the governing body of a county shall appropriate funds for deposit in the fund. If insufficient funds are generated to provide the benefits payable pursuant to the provisions of sections 86.949 to 86.994, the board shall proportion the benefits according to the funds available.

86.955. 1. Two dollars of the three dollar and fifty cent fee collected under section 307.365, RSMo, shall be credited to the police chiefs' and officers' annuity and healthcare fund and used only for the purposes provided for in sections 86.949 to 86.994 and for no other purpose.

2. The board may accept gifts, donations, grants, and bequests from public or private sources to the police chiefs' and officers' annuity and healthcare fund.

86.958. 1. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of five persons. Three directors shall be either elected or appointed chiefs of police who are members of the Missouri police chiefs' association and two of the directors shall be appointed full-time municipal police officers who are members of an organization which represents a simple majority of the full-time municipal law enforcement officers in the state of Missouri. The three police

chief directors shall be elected by a secret ballot vote of the police chiefs of the municipalities. The two police officer directors shall be elected by a secret ballot vote of police officers under the rank of chief. Directors shall be chosen for terms of four years from the first day of January; except that the members of the first board shall be appointed by the governor by and with the consent of the senate. Upon completion of the appointment of the board, the governor shall declare the system established. It shall be the responsibility of the initial board to establish procedures for the conduct of future elections of trustees and such procedures must be approved by a majority vote by secret ballot of the police chiefs and officers of all the eligible municipalities. The board shall have all powers and duties that are necessary and proper to enable it, its officers, employees, and agents to fully and effectively carry out all the purposes of sections 86.949 to 86.994.

2. The board of directors shall elect one of their members as chair and one of their members as vice chair and may employ an administrator who shall serve as secretary to the board. The board shall hold regular meetings at least once each quarter. Other meetings may be called as necessary by the chair. Notice of such meetings shall be given in accordance with chapter 610, RSMo.

3. The board of directors shall retain an actuary as technical advisor to the board of directors and an investment

counsel to be an investment advisor to the board, and the board of directors shall arrange for annual audits by a certified public accountant.

4. The board of directors shall serve without compensation for their services as such; except that each director shall be paid for any necessary expenses incurred in the performance of duties authorized by the board.

5. The board of directors shall be allowed administrative costs for the operation of the system.

6. The board shall keep a record of its proceedings which shall be open to public inspection and shall annually prepare a report showing the financial condition of the system. The report shall contain, but not be limited to, an auditor's opinion, financial statements prepared in accordance with generally accepted accounting principles, an actuary's certification along with actuarial assumptions, and financial solvency tests.

7. Notwithstanding any other provisions of law to the contrary, after the expiration of the terms of the board of trustees or directors holding office on January 1, 2005, the directors elected as successors to those directors holding office on January 1, 2005, shall be elected to staggered terms of four years each in the following manner: two directors shall be elected for a two-year term with their successors being elected to four-year terms and three directors shall be elected for a four-year term. The procedures for such elections and the

designation of which terms will initially be two-year terms and which will be four-year terms shall be established solely by the board of directors of the police chiefs' and officers' retirement system. Three directors shall be elected by a secret ballot vote of the active and eligible police chiefs and two directors shall be elected by a secret vote of the active and eligible police officers with a rank less than chief. Beginning with the election of directors under the provisions of this subsection, at least one but not more than two of the directors may be a retired member of the police chiefs' and officers' retirement system; except that any vacancies occurring on the board after all members have been duly elected shall be filled by the board and such appointed members shall serve until the next regularly scheduled election for such filled position.

8. Notwithstanding any provision of law to the contrary, any board member who was elected to the board as an active member representative and becomes a retired member of the system after such election shall, with the approval of the board, continue to serve on the board as an active member representative until the next regularly scheduled election for that position.

86.961. On and after the effective date of the establishment of the system, as an incident to his or her employment or continued employment, each person employed full time as an elected marshal or chief of police, appointed chief of police, or police officer of a municipality shall become a member

of the system upon their enrollment as a member of the system and their first monthly contribution payment of twenty dollars. Such membership shall continue as long as the person continues to be an employee in a municipal police department, continues to make their monthly contribution, or is eligible to receive benefits under the provisions of sections 86.949 to 86.994.

86.964. Any member who has ten years or more of creditable membership service and a minimum of ten years of prior service as police chief or police officer of an eligible municipality may receive a normal annuity or who has five years or more of creditable membership service and a minimum of fifteen years of prior service as police chief or police officer of an eligible municipality may receive a normal annuity. If a member seeks to retire prior to the minimum five years of creditable membership service that has fifteen years of creditable service and is at least fifty-five years of age, but continues to make their contribution payments, that member shall be eligible for a normal annuity. If a member which is receiving benefits passes away then the payments shall continue for the remainder of the five-year benefit period to the member's beneficiary.

86.967. The normal annuity of an activated member shall be determined by the board who will establish the monthly amount to be paid to each retired member. The monthly payments are at the discretion of the board on the advice of the actuary. The anticipated sum of all such payments during the year, plus the

annual normal cost plus the annual amount to amortize the unfunded actuarial accrued liability in no more than thirty years, shall not exceed the anticipated moneys credited to the system pursuant to section 86.955. The money amount granted shall be continued to any survivor determined and officially documented by each member upon enrollment and may be revised by official notification. In no case shall any member receive benefits of this program prior to the age of fifty-five.

86.970. For the purpose of calculating benefits of a member, creditable membership service years of service as a member of the program and twelfths of a year are to be used.

86.973. Any eligible police chief or officer who becomes a member of the system on the effective date of the establishment of the system shall be given credit for eligible prior service up to fifteen years. All such prior service must be established to the satisfaction of the board.

86.976. Any member may retire at any time after the end of the month during which the member becomes eligible to retire under the provisions of section 86.964 and upon the member's submission of a written application to the board setting forth at what time, not less than thirty days nor more than ninety days subsequent to the execution and filing of the application, the member desires to be retired. The payment of the annuity, subject to the provisions of section 86.994, shall begin as of the first day of the calendar month coincident with or next

following the date specified by the member and shall conclude upon the passage of five complete years.

86.980. A death benefit of ten thousand dollars may be paid to the designated beneficiary of every active member upon his or her death or to his or her estate if there is no designated beneficiary, if the member is killed in the performance of his or her duty.

86.985. 1. A former member who has forfeited creditable service may have the creditable service restored by again becoming an employee and completing creditable membership service as set forth in section 86.961.

2. Absences for sickness or injury of less than twelve months shall be counted as membership service.

86.988. 1. Any annuity, benefits, funds, property, or rights created by, or accruing to, any person under the provisions of sections 86.949 to 86.994 are hereby made and declared exempt from any tax of the state of Missouri or any political subdivision or taxing body thereof, and shall not be subject to execution, garnishment, attachment, writ of sequestration, or any other process or claim whatsoever, and shall be unassignable.

2. No alteration, amendment, or repeal of the provisions of sections 86.949 to 86.994 shall affect the existing rights of members and beneficiaries, but shall be effective only as to rights which would otherwise accrue hereunder as a result of

services rendered by an employee after such alteration, amendment, or repeal.

86.991. The benefits provided for by sections 86.949 to 86.994 shall in no way affect any person's eligibility for retirement benefits under the local government employees' retirement system under sections 70.600 to 70.755, RSMo, or any other local government retirement or pension system, or in any way have the effect of reducing retirement benefits in such systems, or reducing compensation or mileage reimbursement of employees.

86.994. Annuity payments to retired employees under the provisions of sections 86.949 to 86.994 shall be available beginning January first next succeeding the expiration of five calendar years from the effective date of the establishment of the system to eligible retired employees.

307.365. 1. No permit for an official inspection station shall be assigned or transferred or used at any location other than therein designated and every permit shall be posted in a conspicuous place at the location designated. The superintendent of the Missouri state highway patrol shall design and furnish each official inspection station, at no cost, one official sign made of metal or other durable material to be displayed in a conspicuous location to designate the station as an official inspection station. Additional signs may be obtained by an official inspection station for a fee equal to the cost to the

state. Each inspection station shall also be supplied with one or more posters which must be displayed in a conspicuous location at the place of inspection and which informs the public that required repairs or corrections need not be made at the inspection station.

2. No person operating an official inspection station pursuant to the provisions of sections 307.350 to 307.390 may issue a certificate of inspection and approval for any vehicle except upon an official form furnished by the superintendent of the Missouri state highway patrol for that purpose and only after inspecting the vehicle and determining that its brakes, lighting equipment, signaling devices, steering mechanisms, horns, mirrors, windshield wipers, tires, wheels, exhaust system, glazing, air pollution control devices, fuel system, and any other safety equipment as required by the state are in proper condition and adjustment to be operated upon the public highways of this state with safety to the driver or operator, other occupants therein, as well as other persons and property upon the highways, as provided by sections 307.350 to 307.390 and the regulations prescribed by the superintendent of the Missouri state highway patrol. Brakes may be inspected for safety by means of visual inspection or computerized brake testing. No person operating an official inspection station shall furnish, loan, give, or sell a certificate of inspection and approval to any other person except those entitled to receive it under

provisions of sections 307.350 to 307.390. No person shall have in such person's possession any certificate of inspection and approval and/or inspection sticker with knowledge that the certificate and/or inspection sticker has been illegally purchased, stolen, or counterfeited.

3. The superintendent of the Missouri state highway patrol may require officially designated stations to furnish reports upon forms furnished by the superintendent for that purpose as the superintendent considers reasonably necessary for the proper and efficient administration of sections 307.350 to 307.390.

4. If, upon inspection, defects or unsafe conditions are found, the owner may correct them or shall have them corrected at any place the owner chooses within twenty days after the defect or unsafe condition is found, and shall have the right to remove the vehicle to such place for correction, but before the vehicle is operated thereafter upon the public highways of this state, a certificate of inspection and approval must be obtained. The inspecting personnel of the official inspection station must inform the owner that the corrections need not be made at the inspection station.

5. A fee, not to exceed twelve dollars, as determined by each official inspection station, may be charged by an official inspection station for each official inspection including the issuance of the certificate of inspection and approval, sticker, seal or other device and a total fee, not to exceed ten dollars,

as determined by each official inspection station, may be charged for an official inspection of a trailer or motorcycle, which shall include the issuance of the certificate of inspection and approval, sticker, seal or other device. Such fee shall be conspicuously posted on the premises of each such official inspection station. No owner shall be charged an additional inspection fee upon having corrected defects or unsafe conditions found in an inspection completed within the previous twenty consecutive days, excluding Saturdays, Sundays, and holidays, if such follow-up inspection is made by the station making the initial inspection. Every inspection for which a fee is charged shall be a complete inspection, and upon completion of the inspection, if any defects are found the owner of the vehicle shall be furnished a list of the defects and a receipt for the fee paid for the inspection. If the owner of a vehicle decides to have any necessary repairs or corrections made at the official inspection station, the owner shall be furnished a written estimate of the cost of such repairs before such repairs or corrections are made by the official inspection station. The written estimate shall have plainly written upon it that the owner understands that the corrections need not be made by the official inspection station and shall have a signature line for the owner. The owner must sign below the statement on the signature line before any repairs are made.

6. Certificates of inspection and approval, sticker, seal,

or other device shall be purchased by the official inspection stations from the superintendent of the Missouri state highway patrol. The superintendent of the Missouri state highway patrol shall collect a fee of [one dollar three dollars and fifty cents for each certificate of inspection, sticker, seal, or other device issued to the official inspection stations, except that no charge shall be made for certificates of inspection, sticker, seal, or other device issued to official inspection stations operated by governmental entities. All fees collected shall be deposited in the state treasury with one dollar of each fee collected credited to the state highway fund and, two dollars credited to the police chiefs' and officers' annuity and healthcare fund for the purpose of administering and enforcing the state motor vehicle laws and traffic regulations, fifty cents credited to the "Highway Patrol Inspection Fund" which is hereby created. The moneys collected and deposited in the highway patrol inspection fund shall be expended subject to appropriations by the general assembly for the administration and enforcement of sections 307.350 to 307.390 by the Missouri state highway patrol. The unexpended balance in the fund at the end of each biennium exceeding the amount of the appropriations from the fund for the first two fiscal years shall be transferred to the state road fund, and the provisions of section 33.080, RSMo, relating to the transfer of funds to the general revenue fund at the end of the biennium, shall not apply to the fund.

7. The owner or operator of any inspection station who discontinues operation during the period that a station permit is valid or whose station permit is suspended or revoked shall return all official signs and posters and any current unused inspection stickers, seals, or other devices to the superintendent of the Missouri state highway patrol and shall receive a full refund on request except for official signs and posters, provided the request is made during the calendar year or within sixty days thereafter in the manner prescribed by the superintendent of the Missouri state highway patrol. Stations which have a valid permit shall exchange unused previous year issue inspection stickers and/or decals for an identical number of current year issue, provided the unused stickers and/or decals are submitted for exchange not later than April thirtieth of the current calendar year, in the manner prescribed by the superintendent of the Missouri state highway patrol.